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Department of Labor Cracks Down on Delinquent Debts

TOPEKA, Kan – The Kansas Department of Labor (KDOL) has initiated a new program to help collect delinquent debts owed to the agency caused by unemployment insurance fraud. Through the Treasury Offset Program (TOP), the Department may recover more than \$27 million from debtors' federal income tax refunds.

In November, approximately 12,000 debtors with outstanding balances received a 60-day notice from KDOL describing the offset program and the Department's intent to recover the debt from the debtors' federal income tax refund. To avoid having their federal income tax refund intercepted, debtors must make an acceptable payment arrangement with KDOL or prove that the debtor does not owe the money.

"I am pleased to announce the opportunity to use the TOP program to help with our efforts at cracking down on unemployment fraud in Kansas," said Lana Gordon, Interim Secretary of Labor. "This will benefit both employers and employees in Kansas by returning the money to the Unemployment Insurance Trust Fund."

After collection of the debt, the amount received will be sent to the Kansas Unemployment Insurance Trust Fund, helping maintain fund solvency. Federal legislation passed in 2008 made way for TOP and the U.S. Department of Labor to assist states in recovering unemployment benefits paid, because of fraud, from federal income tax refunds. This program is an enhancement to other efforts the agency uses to collect outstanding balances.

For more information about the Treasury Offset Program, visit www.getkansasbenefits.com/documents/TOPS fags.asp

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